



DOUMAR LAW GROUP NEWSLETTER

A Periodic Publication Covering Legal Issues of General Interest

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Securities Issues – Officer and Director Liability

We obtained summary judgment in a Maryland case for a company officer, accused of securities violations by the Maryland regulatory authorities, because the company itself was not named as a defendant in the action. The state has moved for reconsideration, but in the regulators' zeal in the post-Enron era to seek liability over officers, company officers do have some defenses to general claims of securities violations. These defenses do not protect officers from liability for specific statutory offenses under Sarbanes-Oxley statute and other statutes specifically directed to officers.

Non-Competes – Unenforceable?

The Virginia Supreme Court has affirmed in the last year that non-competes that are overbroad will simply be stricken as non-enforceable, and not simply interpreted narrowly. For employers, it is better to draft non-competes in Virginia narrowly, to increase the chances these clauses will actually be enforced, and serve as a basis for liability. Non-solicitation clauses

and non-disclosure agreements are routinely enforced.

Real Estate -- Put It in Writing or Get Your Name on the Deed

We have been involved in the last year in several real estate disputes over properties purchased thirty to forty years ago, by "friends" or "investment groups." Some of the initial people have died. To avoid a dispute for your heirs, put your agreement in writing, and make sure your copy is in a safe place that you will remember and your heirs will find. Don't rely on the other side to keep copies. If you are seeking a share of property, the other side will be hard-pressed to find documents favorable to you. Generally no agreement relating to real estate is enforceable unless in writing. Another good option is to get your name on the deed.

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